GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1778
ANSWERED ON:30.11.2000
USE OF NATURAL GAS AS FUEL
MAHBOOB ZAHEDI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the industrial organisations are allowed to use natural gas as fuel at subsidised rate;

(b) if so, the details thereof;

(c) whether the price of natural gas is lower by 50-60% in comparison to that of in the international market; and

(d) if so, the steps proposed to be taken to fix the prices of natural gas at the international prices?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b) With effect from 1.10.1997, the consumer price of natural gas has been linked to the international price of fuel oil with the linkage increasing from 55% in 1997-98, 65% in 1998-99 and 75% in 1999-2000. It was also decided that the prices would be reviewed with the objective of reaching 100% parity with the international prices of fuel oil by 2002. However, for the North Eastern region, the consumer price of gas has been linked to the international price of fuel oil at 30% parity in 1997-98, 40% in 1998-99 and 45% in 1999-2000. Over and above this, a discount of Rs.300 per thousand cubic meters is permitted on a case by case basis for the consumers in the North Eastern region.

(c) & (d) No, Sir. Unlike in the case of crude oil and other petroleum products, there is no standard international price in respect of natural gas as the price varies from country to country depending upon the supply and demand situations. However, as mentioned above, action has already been taken to link the consumer price of gas with the international price of an alternate fuel.